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SUBJECT: FRAUD SUMMARY - (GUADALAJARA)

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Country Conditions

¶1. (U) Guadalajara is the second largest city in Mexico and the consular district covers the Mexican states of Jalisco, Colima, Nayarit, and Aguascalientes although both post accepts applicants from throughout Mexico. Conditions within the consular district are similar to other parts of Mexico; the continuing Mexican economic crisis and high unemployment rates coupled with the dramatic increase in narco-related violence over the last year have not diminished the desire of many Mexicans to live, work, or study in the United States. These conditions have also resulted in a significant increase in confirmed visa fraud at post. While demand for nonimmigrant visas has increased 7% over the prior reporting period, confirmed fraudulent applications have increased 137%. Post had a significant increase in Passport and Consular Report of Birth Abroad applicants as result of WHTI implementation, however, confirmed ACS fraud has remained relatively constant over the reporting period. Post has not seen increased instances of SBA related fraud as reported by Consulates closer to the border region.

NIV Fraud

¶2. (U) Post adjudicated 81,513 NIV applications during this reporting period. 59,106 applications were approved and 22,407 applications were refused for an overall refusal rate of 27.5%. Of these refusals, 21,258 were in the B1/B2/BBBCV category. During this period, 422 NIV cases were referred to FPU, with 247 confirmed fraudulent and 16 pending further action. Additionally, 673 applicants were found ineligible under 6C1 of the INA, with the difference between FPU confirmed fraud and actual application of 6C1 attributable to false identities discovered through IDENT, conversion of quasi-P6C1 CLASS hits when subjects newly apply for visas, and reapplication of prior 6C1 ineligibilities for purposes of waiver processing.

¶3. (U) Guadalajara continues to experience high levels of NIV fraud that primarily consists of mala fide NIV applicants who present altered, false, or counterfeit documents intended to inflate their employment status or education. Many of these fraudulent applicants are found ineligible under 214b of the INA by the adjudicating line officers, as the fraud is easily detected through normal interviewing techniques and electronic FPU resources available in the interviewing windows.

¶4. (U) Falsified documents are readily available from a variety of sources, including various known mala fide visa facilitators just steps from the Consulate. These facilitators offer a range of products, from false bank documents to false education credentials, from a cost of \$15 USD to upwards of \$1,500 USD. FPU prescreening, RSO Surveillance Detection, and trained line

officers work together to identify those who trade in documents and carry them to their visa applications.

¶5. (U) FPU performs vigorous pre-screening of H2B, H2A, and P-1 applicants and groups applying for visas to participate in sporting, musical, or cultural exchanges in the US on B1/B2 visas, providing NIV officers with necessary information to assist them in the adjudication process. The FPM regularly conducts LexisNexis checks on unknown business petitioners and FPU uses various internet tools such as Facebook, YouTube, MySpace, and Google to verify group member lists, tour dates, and claims of notoriety.

¶6. (U) The H2B and H2A categories are generally low fraud categories at Post. Individual beneficiaries often attempt to conceal prior immigration violations and criminal histories, but generally applicants are qualified and intend to undertake the work petitioned. However, Post has seen an increase in applicants who wish to work for employers for whom they have previously worked without legal status; in some instances coached to conceal their prior work history by the petitioner or local agent. Post has discovered several mala fide petitioners and/or local agents who have charged applicants fees to become beneficiaries; sometimes when petitions had no available slots or when there was no approved petition. We continue our outreach efforts with local press and NGOs to educate workers on their rights and prohibition of the payment of any fees.

¶7. (U) The P-1 category continues to be a significantly high fraud category. FPU investigators routinely uncover phantom band members added by local agents or band owners/managers who have no clear role in the groups and/or are unknown to long-established group members. FPU works to unravel fraudulent "ringer" additions and to identify the source, fellow members or unscrupulous agents, to ensure bona-fide group members can travel to perform and fraud perpetrators are held accountable.

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In addition, Post has continued to see the trend of prior P-1 visa holders that use their visa to undertake unauthorized employment to avoid scrutiny at the Port of Entries for extended back-to-back six months stays in the United States that a tourist visa holder is likely to experience.

¶8. (U) Another significant NIV fraud category is encountered among groups applying for tourism visas to participate in sporting, musical, or cultural exchanges in the US. These include cultural exchanges (artists, dancers and musicians) coordinated between local municipalities and sister cities/US-based Mexican social organizations, sports teams (both professional and amateur), invited to participate in tournaments in the US, and arts and crafts vendors invited to display and sell their wares at various cultural fairs. Many times the exchanges and events are bona-fide, but individual applicants may exaggerate their positions within organizations and/or employment status and conceal details on how the trips are to be financed. FPU routinely trains officers in the application of the requirement under 9 FAM 41.31 N11.4 for payment of expenses of professional entertainers and 9 FAM 41.31 N13.7 for amateur performers.

¶9. (U) Finally, Post has experienced a marked increase in the number of unqualified/fraudulent TN/TD visa applicants, specifically in the Management Consultant and Scientific Technician categories, and E visa applicants with non-qualifying business activity. Post's denial rate for TN/TD has increased over 58% from the prior reporting period to 19%. For E visa applicants, the denial rate has increased over 78% from the prior reporting period to 31%. FPU is working with NIV to increase prescreening and analysis in these visa categories.

IV Fraud

¶10. (U) Post does not process immigrant visas.

DV Fraud

¶11. (U) Post does not process Diversity Visas.

ACS and U.S. Passport Fraud;

¶12. (U) Post accepted 4,334 new passport book/card applications during this reporting period. During this same period, 4,090 passport books/cards were issued and 305 were denied. Of these applications, 143 cases were referred to FPU, with 16 confirmed fraudulent and 54 pending further action.

¶13. (U) Post accepted 448 Consular Records of Birth Abroad during this reporting period. During this same period, 412 CRBAs were issued and 157 were denied. Of these applications, 26 cases were referred to FPU, with five confirmed fraudulent and 15 pending further action.

¶14. (U) FPU works closely with ACS to train officers and local staff on document fraud and to verify civil documents with local authorities. FPU devotes a majority of its officer time to working ACS cases, assisting in this important work program for the Consulate and Mission Mexico. Although actual confirmed fraud rates are relatively low, many cases referred to FPU are eventually denied under 7 FAM 1381 D (3) as applicants fail to respond to requests for additional information and/or documents within ninety days.

¶15. (U) The majority of referred passport cases are for fraud hits related to previously abandoned domestic applications, often for multiple abandoned prior cases with more than one person claiming to be the true owner of the identity, but with little secondary proof of either identity or birth in the United States. Home births and births registered by midwife also represent a significant portion of ACS referrals. The FPM investigates all cases with existing fraud hits, all cases that involve non-institutional births (home births, mid-wife deliveries) and all cases that are otherwise referred by ACS officers.

¶16. (U) FPU continues to detect CRBA fraud, with AMCITs who are not the birth parents attempting to obtain CRBAs for children they are attempting to "adopt." As in the prior reporting period, one such case resulted in the arrest of the supposed parents and the pediatrician that sold them the baby. FPU also has investigated several cases of falsified physical presence documentation for the transmittal of citizenship.

¶17. (U) Additional confirmed fraud includes falsified parental consent, narco-traffickers with multiple passport identities, US mail fraud, selling of passports, falsified adoptions, false

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births, etc. in greater numbers than prior years, likely due to passport requirements for travelers under WHTI. One new trend post noted is for parents to apply for a passport domestically when their child is an infant, claim that the passport was lost in the mail and reapply at post for a different child. It is quite difficult to identify these infant/toddler imposters, especially when the PIERS record is of a very young baby and the parents of the real holder of the identity are present and have excellent secondary proof of birth and other official documents.

Adoption Fraud

¶18. (U) Post does not process adoption cases.

Use of DNA Testing

¶19. (U) Post utilizes DNA testing in ACS cases where doubt exists regarding paternity. In some cases, DNA analysis is the only viable means of confirming the paternal relationships that are claimed. Post suggests that DNA testing could be used to resolve outstanding uncertainties on such cases but makes it known that DNA tests are not required. During the reporting period, FPU did not refer any applicants for DNA testing.

Asylum and Other DHS Benefit Fraud

¶20. (U) Post continues to provide support to DHS offices located in the U.S. by conducting field investigations and verifying casework information and other documentation.

Alien Smuggling, Trafficking, Organized Crime, Terrorist Travel

¶21. (U) Mexico is a major transit country to the U.S. for both Mexican citizens and third country nationals attempting to enter illegally and for narcotics trafficking. The P-1 visa category remains vulnerable to alien smugglers planting non-qualified applicants on petitions for a fee.

DS Criminal Fraud Investigations

¶22. (U) The FPU enjoys a strong relationship with RSO and the recently arrived ARSO/I. The ARSO/I program, which includes the DS Special Agent and the H/L FSNI, has quickly integrated their work with that of FPU and continue to strengthen Post's ties with local law enforcement. Since the arrival of the ARSO/I at post, more arrests have been made including an H case and a document vendor. The ARSO/I program has also been involved with several successful internal investigations and has assisted with sensitive American Citizen Services child endangerment cases, which have resulted in fugitive returns and arrests in the United States. The ARSO/I program continues to strengthen post's fraud prevention profile and has committed to provide Fraudulent Document Training, in coordination with Diplomatic Security Anti-Terrorism Assistance Program, to both the FPU staff and to local contacts.

Host Country Passport, Identity Documents, and Civil Registry

¶23. (U) The Mexican passport contains a large number of security features, such as microprint, digital photographs, ghost photographs, 3D barcodes, latent imaging, fingerprint image, UV features, etc. The Mexican passport security features have been effective against counterfeiting and photo substitution. FPU has detected a handful of cases of NIV applicants with genuine Mexican passports under false or cloned identities.

¶24. (U) Impostors obtain the genuine passports with false identities by presenting false IDs (false birth certificates and/or false voter's cards) at the passport offices of the SRE (Mexican Ministry of Foreign Affairs). Other means of fraudulently obtaining Mexican passports include cloning an identity using a genuine birth certificate and/or a voter card. Post has observed that it is easy to obtain a genuine birth certificate with fraudulent information from many civil registries. Corruption among the staff in civil registries in small towns is common and sometimes civil registry employees work with document vendors. This situation is further complicated as some states in our consular district now utilize the equivalent of an ATM-type machine to issue certified (i.e. already signed) birth certificates provided one has the name, date, and place of birth. Again, IDENT and Facial Recognition are useful tools in helping to combat this type of identity fraud. Post recommends the adoption of Facial Recognition technology to passport applications as soon as possible so that we have another effective tool in our fraud toolbox. Post does use "FR on Demand," but it is technologically unwieldy and only compares faces against the terrorist screening list and visa records and not against prior passport applications.

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Cooperation with Host Government Authorities

¶25. (U) Post continues to enjoy a high degree of cooperation with host government agencies and individual government officials, particularly with the Mexican Social Security Institute (IMSS) and the State Civil Registry Offices for Jalisco, Colima, Aguascalientes and Nayarit. Our host government contacts continue to assist in detecting fraud at all levels. Our contacts within IMSS and the Civil Registry Offices

provide accurate and timely information needed to verify employment and income levels and birth, marriage, death and divorce records. To date, Post has had limited success with local prosecutors and police in arresting and prosecuting document vendors for false private documentation such as employment letters and bank statements. Our ARSO-I has begun laying the groundwork in the state of Jalisco for greater attention from local authorities in the prosecution of false document vendors who sell purported official government documents such as birth certificates and official government education documents known as cédulas.

Areas of Particular Concern

¶26. (U) Post has seen a recent trend of well organized "fraud buses" from out of consular district, primarily from the states of Durango and Coahuila, where between 10% and 15% of the applicants have complete false document packages. These buses typically take between 10 and 12 hours to reach Guadalajara from these out-of-district areas and Post is not sure why they are choosing to come to Guadalajara over other posts which are much closer such as Monterrey or Nuevo Laredo. Many applicants state that it is because Guadalajara does not have an Applicant Service Center which requires a two day process for visa applications and others mention it is easier to get an appointment in Guadalajara than other posts even though as of 1 Oct 2009 we have a current 18 day backlog versus 3 days at both Monterrey and Nuevo Laredo. Post continues to research this trend.

Staffing and Training

¶27. (U) The Fraud Prevention Unit (FPU) consists of a full-time FS-03 Fraud Prevention Manager (FPM), a FSN-9 Senior Fraud Prevention Assistant and three FSN-8 Fraud Prevention Assistants. The Fraud Prevention Manager currently divides time between investigating ACS and NIV fraud cases, with the bulk of the officer's time spent on PPT and CRBA fraud cases. The LES staff supports both ACS and NIV, with two positions supporting NIV, one supporting ACS and the other supporting all other agency and FPM investigative requests. The staff rotates monthly through these various positions.

¶28. (U) Fraudulent documentation and imposter training courses are provided for airport and airline personnel, immigration and public security officials in Guadalajara and throughout the consular district. However, due to the deteriorating security situation, post RSO has prohibited all official overnight travel within the Consular district with the exception of Puerto Vallarta as well as travel at night, which has greatly limited FPU's ability to do training and outreach through our very large geographic area of responsibility. Despite the constraints, during the reporting period, the unit provided onsite training to civil registry, SRE (Mexican Ministry of Foreign Affairs), and airline personnel in Puerto Vallarta and Aguascalientes.

¶29. (U) FPU participates in monthly in-house consular training days, providing training to NIV and ACS staff. FPU offers a variety of courses focusing on specific industries/businesses, detecting false documents and imposters, and highlighting fraud indicators that are commonly seen at post. In addition, FPU offers a "Fraud City Tour" to new NIV officers designed to introduce them to the various neighborhoods/areas of Guadalajara and to the types and scales of businesses/business activities found in these neighborhoods.

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